

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 157, between lines 20 and 21, begin a new paragraph and
- 2 insert:
- 3 "SECTION 174. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2008 (RETROACTIVE)]:
- 6 **Chapter 46. Residential Property Tax Credit**
- 7 **Sec. 1. As used in this chapter, "board" refers to the property**
- 8 **tax replacement fund board.**
- 9 **Sec. 2. As used in this chapter, "credit" refers to the credit**
- 10 **granted by this chapter.**
- 11 **Sec. 3. As used in this chapter, "department" refers to the**
- 12 **department of state revenue.**
- 13 **Sec. 4. As used in this chapter, "fund", for purposes of:**
- 14 **(1) this chapter, except section 20 of this chapter, refers to the**
- 15 **state general fund; and**
- 16 **(2) section 20 of this chapter, refers to a fund of a taxing unit.**
- 17 **Sec. 5. As used in this chapter, "homestead" means:**
- 18 **(1) real property improvements or a mobile or manufactured**
- 19 **home that is owned (or being purchased on contract) and used**
- 20 **by an individual as the individual's principal residence,**
- 21 **including a garage, outbuildings, and common areas used in**
- 22 **connection with the improvements, mobile home, or**
- 23 **manufactured home; and**
- 24 **(2) the land immediately surrounding the improvements,**

mobile home, or manufactured home that is used for residential purposes, not exceeding one (1) acre.

The term includes property that is owned (or being purchased on contract) by a trust in which the individual has a beneficial interest.

Sec. 6. As used in this chapter, "qualified resident" means an individual who on both the most recent assessment date for a homestead and the immediately preceding assessment date for a homestead used the homestead as the individual's principal place of residence and was any combination of:

- (1) an owner;
- (2) an individual purchasing on contract; or
- (3) a beneficiary of a trust that was an owner or purchasing on contract;

of the homestead that was the principal residence of the individual.

Sec. 7. Property that qualifies as a homestead of a qualified resident on an assessment date is entitled to a credit against the part of the property tax liability imposed on the homestead for ten (10) years beginning with the first year after December 31, 2007, in which the property tax liability imposed on the homestead exceeds at least two (2) times the property tax liability imposed on the homestead in the immediately preceding year, after the application of all deductions and any other credit, except a credit granted under IC 6-1.1-20.4 (before its repeal), IC 6-1.1-20.6, or IC 6-3.5.

Sec. 8. The amount of the credit is equal to the following percentage of the amount by which the property tax liability imposed on the homestead exceeds at least two (2) times the property tax liability imposed on the homestead in the immediately preceding year, after the application of all deductions and any other credit, except a credit granted under IC 6-1.1-20.4 (before its repeal), IC 6-1.1-20.6, or IC 6-3.5:

- (1) In the first year, one hundred percent (100%).
- (2) In the second year, ninety percent (90%).
- (3) In the third year, eighty percent (80%).
- (4) In the fourth year, seventy percent (70%).
- (5) In the fifth year, sixty percent (60%).
- (6) In the sixth year, fifty percent (50%).
- (7) In the seventh year, forty percent (40%).
- (8) In the eighth year, thirty percent (30%).
- (9) In the ninth year, twenty percent (20%).
- (10) In the tenth year, ten percent (10%).

However, the credit terminates when at least one (1) individual who was a qualified resident in the first year the credit is granted (or the spouse of the qualified resident, if the qualified resident is deceased) is no longer a qualified resident of the homestead.

Sec. 9. Property that qualifies for a homestead credit under

IC 6-1.1-20.9 (before its repeal) or a standard deduction under IC 6-1.1-12-37 qualifies for a credit under this chapter without the filing of any additional application.

Sec. 10. (a) This section applies to property that is not described in section 9 of this chapter.

(b) An owner that desires to claim the credit must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The statement must include the parcel number, key number, or other identifying number for the property and the name of the city, town, or township in which the property is located. With respect to real property, the statement must be filed during the twelve (12) months before June 11 of the year before the first year for which the individual wishes to obtain the deduction provided by this section. With respect to a mobile home or manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of the first year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(c) An owner that fails to file a certified statement within the time prescribed by subsection (b) shall be treated as having filed the statement within that time if the person files a certified statement otherwise meeting the requirements of this section by the latest of:

(1) for an assessment date after February 28, 2007, and before January 16, 2008, September 10, 2008;

(2) for all assessment dates after January 15, 2008, and before January 16, 2009, September 10, 2008; or

(3) for all assessment dates after January 15, 2009, the later of:

(A) September 10 of the first year for which the person wishes to obtain the deduction provided by this section; or

(B) thirty (30) days after the date of the statement mailed by the county auditor to the person under IC 6-1.1-17-3(b).

Sec. 11. If an owner that receives the credit changes the use of the property granted a credit so that part or all of the property no longer qualifies for the credit, the owner must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An owner that changes the use of the property and fails to file the statement required by this section is liable for the amount of the property taxes that would otherwise have been imposed on that property.

Sec. 12. An owner that receives a credit for property that is

jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

- (1) the owner is the sole owner of the property following the death of the owner's spouse;
- (2) the owner is the sole owner of the property following the death of a joint owner that was not the owner's spouse; or
- (3) the owner is awarded sole ownership of property in a divorce decree.

Sec. 13. The department, on behalf of the board, shall distribute to taxing units the amount necessary to replace the revenue lost from the granting of credits in the taxing unit. The distribution for all taxing units in a county shall be made to the county auditor for the county. To the extent possible, the distribution shall be made on the same schedule that distributions from the property tax replacement fund are made under IC 6-1.1-21-10.

Sec. 14. The department of local government finance shall certify to the department an estimate of the amount of credits granted in a county under this chapter. A county auditor shall submit the information required by the department of local government finance to comply with this section on the schedule and in the manner prescribed by the department of local government finance.

Sec. 15. The department shall use the estimate certified by the department of local government finance as the basis of making an estimated distribution under this chapter to civil taxing units on the following schedule:

January	0.00%
February	0.00%
March	16.70%
April	16.70%
May	16.60%
June	0.00%
July	0.00%
August	0.00%
September	16.70%
October	16.70%
November	16.60%
December	0.00%

Sec. 16. All distributions provided for in this chapter shall be made on warrants issued by the auditor of state drawn on the treasurer of state.

Sec. 17. There is annually appropriated a sufficient amount to the department from the state general fund for the purposes of making the distributions under this chapter.

Sec. 18. The department and a county auditor shall settle

1 differences between the estimated distribution distributed under
2 this chapter and the amount to which the taxing units in the county
3 are entitled in the manner prescribed by the department.

4 **Sec. 19. The amount distributed under this chapter shall be**
5 **treated as property taxes for all purposes. A county auditor shall**
6 **allocate the amount received under this chapter among the taxing**
7 **units in the county at the same time as other property tax**
8 **distributions are made.**

9 **Sec. 20. Money distributed to a taxing unit under this chapter**
10 **may be used only for the purposes for which property tax levies**
11 **being replaced may be used. The taxing unit shall allocate the**
12 **amount of its distribution under this chapter among the taxing**
13 **unit's funds in proportion to the property tax levies being replaced**
14 **from each fund."**

15 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

Representative Pelath